



EU member states finally adopted the Corporate Sustainability Due Diligence Directive with a drastic weakening of the text

18 March 2024

Following the [agreement](#) reached by the European Commission, the Council of the European Union, and the European Parliament in December 2023, the CSDD Directive has been under threat in the past weeks. First, Germany announced that it would abstain from the vote. Then, France and Italy said they would back out unless changes were made. Finally, other member states started hesitating to endorse the Directive. What was supposed to be a political agreement ready to go to the European Parliament was at stake until last Friday, 15 March, when the Belgian Presidency finally succeeded in negotiating a compromise between the Member States.

This compromise includes important changes to the scope of application, which was originally agreed to apply to companies with 500 employees and now applies to companies over 1,000 employees on average, and to the turnover threshold, which was originally agreed to be €150 million but has been increased to €450 million in the final text. Furthermore, changes to the supply chain subject to due diligence exclude downstream activities such as product disposal (including dismantling and recycling, composting, and landfilling). The text also suggests deleting any reference to high-risk sectors.

While CIDSE and its member organisations recognise the importance of the adoption of the CSDDD as a step towards respecting human rights and protecting the environment, the Directive is much weaker than the text originally agreed during the December trilogue. We regret political arrangements and attempts by some member states and political groups to sabotage the CSDDD.

"The Council's agreement is a sign of hope for human rights and the environment. It is shameful that the German government did not support the Directive. Despite the weakening, we call on all MEPs to quickly adopt the Directive in plenary so that people and nature are better protected in the global business of European companies in the future" says Armin Paasch from CIDSE's German member Misereor.

"The good news is that the EU is now taking an important step towards holding big companies accountable when they cause harm to people and the planet. We appreciate the efforts of the Belgian EU Presidency to pull an agreement out of the fire. The bad news is that additional concessions were made under pressure from backroom politics in some member states and sabotage attempts by conservative business lobbies,. As a result, only the bare minimum of obligations remain." says Wies Willems from CIDSE's Belgian member Broederlijk Delen.

The text agreed by the Council on Friday 15 March, still has to be approved by the European Parliament. The vote in the JURI committee has been scheduled for tomorrow, 19 March and will be followed by a plenary vote in April. Once approved by the European Parliament, Member States will have to transpose the Directive into national law.

CIDSE contact: Susana Hernandez, Corporate Power Policy Officer (Hernandez(at)cidse.org)